

# CITY OF NEWTON, MASSACHUSETTS

## PURCHASING DEPARTMENT

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January 5, 2011

## ADDENDUM #2

### REQUEST FOR QUOTE #11-37

#### GROUP DENTAL PLAN

THIS ADDENDUM IS TO: **Answer the following Questions:**

Q1. Can you please provide me with a census in Excel spreadsheet format?

**A1. See with Addendum #1.**

Q2. Paid Premiums and Paid Claims by month by plan, from 7/1/2008 through 11/30/2010.

**A2. G (and Attachment E Pg 96 to 103.)**

Q3. Copy of Full Guardian certificates showing all plans.

**A3. Please see attached**

Q4. Please provide the current employer / Employee contribution percentages.

**A4. See pages 2 and 3 of RFQ**

Q5. At what percentile of Reasonable and Customary charges does guardian reimburse at for Out of Network claims.

**A5. Active Employees' Plans: 90th Percentile  
Retirees Plan: 80<sup>th</sup> Percentile**

Q6. Also, can you please confirm whether the City of Newton's contract with the incumbent dental carrier results in a commission being paid to any broker, and if so, whom?

**A6. Yes. The broker is Saul Appel. (He is not a Broker of Record. See Policy for Brokers which follows).**

#### **CITY OF NEWTON POSITION REGARDING BROKERS FOR DENTAL BID**

The City of Newton has a policy of not having a Broker of Record for the City. As far as the Dental Bid is concerned, it is neither in favor of nor opposed to having brokers participate in the bidding process. It will accept all bids, directly from insurance companies and from brokers and evaluate them based upon their merit and their cost. It will not provide letters of authorization to any brokers. In the case of the same winning bid being provided by an insurance company and/or one or more brokers, the Director of Human Resources, in consultation with the Director of Purchasing and the Law Department, will make the decision as to which bid is the most advantageous for The City of Newton, and which one will be awarded.

Q7. Paid Premiums and Paid Claims by month by plan, from 7/1/2008 through 11/30/2010.

**A7. See question 2.**

Q8. Copy of Full Guardian certificates showing all plans.

**A8. See question 3**

Q9. Please provide the current employer / Employee contribution percentages.

**A9. See question 4**

Q10. At what percentile of Reasonable and Customary charges does guardian reimburse at for Out of Network claims.

**A10. See question 5**

Q11. Is the RFP available in word format?

**A11. No.**

Q12. Is the census available in excel format?

**A12. See with Addendum #1.**

Q13. Can you provide information on the Rollover plan provision. Specifically, when did the program go into effect and what are the account balances for each active member?

**A13. Maximum Rollover was effective 7/1/2008 (inception date of the Guardian plans).**

**Please see attached summary for year ending 12/31/2009..**

Q14. Can you provide month by month claim reports for the last three year for each individual plan? Can you include the head counts as well?

**A14. See question 2**

Q15. Can you send us a list of the providers that members are currently utilizing?

**A15. Attached is a listing of the Top 100 Providers members are using.**

Q16. What type of plan enhancements would you like for us to include?

**A16. None.**

Q17. What is the R&C level on the plans?

**A17. See question 5**

Q18. Would you like for us to provide an ASO quote now?

**A18. No**

Q19. Do you currently work with any consultant or broker of record?

**A19. No. See question 6**

Q20. Will there be negotiations on pricing after we submit our bid?

**A20. Yes**

Q21. What is the strategy for the City's dental plan? Please share any short term and long term strategies.

**A21. None. Dental contract is governed by negotiations with over 10 unions.**

Q22. Are there alternative plan offerings that you would like us to quote? Please provide details.

**A22. No.**

Q23. 1. Please confirm name of Chief procurement Officer, per website this would be Rositha Durham. Please confirm so we may address the RFP letter accurately.

**A23. Confirmed.**

Q24. Please confirm the number of RFP packets the City of Newton would like delivered?

**A24. Three**

Q25. Can we obtain a current provider listing Tax ID Numbers to evaluate the network access?

**A25. No**

Q26. Current carrier claim data and plan design illustrates a class structure, please provide the class definitions.

**A26. Please see attached.**

Q27. For the retiree population, please define retiree class eligibility. Are all retirees currently eligible for the dental plan?

**A27. Yes. There are over 2,000 retirees.**

**A27. Please see Retirees Plan Certificate for definition.**

Q28. The retiree plan when in force with Delta Dental was a Table Plan; the plan summary submitted in the RFP appears to be a coinsurance plan. Does the City of Newton desire a Table Plan as indicated in the RFP or a matching coinsurance plan as illustrated in the Guardian benefit summary?

**A28. The City is open to both types of plans and will accept the plan that goes along with the best bid for active employees, as long as it is as good as or better than what is currently offered.**

Q29. Dependent age per the RFP: The City is seeking quotes under two scenarios. In the first scenario, the City is seeking to duplicate student coverage, as it exists in the current dental plan, which includes dependents until their 19th birthday, or if they are students, until 4 months after graduation or age 26, whichever comes first. In the second scenario, the City is seeking to cover all dependents up to age 26, similar to the provisions in the new health care law. Please confirm desired dependent ages are changes from the current carrier benefit summaries, which reflect to age 20 and to age 26 for Full Time Student.

**A29. CORRECTION!!!: On page 4 the following statement replaces what is stated under Current Quote: “ The City is seeking quotes under two scenarios. In the first scenario, the City is seeking to duplicate student coverage as it exists in the current dental plan which includes dependents until their 20th birthday, or if they are students, until 4 months after graduation or age 26, whichever comes first. In the second scenario, the City is seeking to cover all dependents up to age 26, similar to the provisions in the new health care law.”**

Q30. Month by month paid claims for at least the past 12 months broken down by plan (High, Low, Retiree).

**A30. See question 2**

Q31. Please note the retiree census does not have plan elections. Please let us know what plan they have access to?

**A31. See Attachment A- III Pages 18-20.**

Q32. Entire questionnaire document in Word so we can respond to the questions, etc.

**A32. See question 11.**

Q33. More complete plan design, preferably SPD's.

**A33. Please see attached**

Q34. What are the current contributions for the non-retiree plans?

**A34. See question 4.**

Q35. Are there any Women / Minority Owned Business Goals?

**A35. No.**

Q36. May we get 3 years of premium, claims and lives by month? If we can't get premium, may we get just claims and lives by month for the past 3 years?

**A36. See question 2**

Q37. In order to provide you with a competitive quote and meet your member's needs, please provide me with a list of all providers members have used for the past 12 month period.

**A37. See attached**

Q38. I need the providers first and last name, their address and telephone number as well as their TIN number.

**A38. See attached**

Q39. Please indicate if the provider is in or out of network.

**A39. See attached**

Q40. I also need to know how your retiree plan currently works.

**A40. See Attachment A – III.**

Q41. Are retirees eligible for the dental plan only upon retirement?

**A41. The retiree plan is available to retiree and spouses upon retirement and open enrolment which is effective July 1st.**

Q42. Do retirees have the option to join the dental plan on open enrollment?

**A42. See question 41**

Q43. Please explain in detail when retirees can join the current Guardian Voluntary dental plan including any restrictions.

**A43. See question 41.**

Q44. Basic Plan: Please provide the number of insureds that had less than \$250 in claims.

**A44. Please refer to the maximum rollover reports attached**

Q45. Please provide the number of insureds that had between \$250 and \$500 in claims.

**A45. Please refer to the maximum rollover reports attached**

Q46. Please provide the number of insureds that had between \$500 and \$750 in claims.

**A46. Please refer to the maximum rollover reports attached**

Q47. Please provide the number of insureds that hit their maximum of \$750.

**A47. Please refer to the maximum rollover reports attached**

Q48. High Plan: Please provide the number of insureds that had less than \$500 in claims.

**A48. Please refer to the maximum rollover reports attached**

Q49. Please provide the number of insureds that had between \$500 and \$1,000 in claims.

**A49. Please refer to the maximum rollover reports attached**

Q50. Please provide the number of insureds that had between \$1,000 and \$1,500 in claims.

**A50. Please refer to the maximum rollover reports attached**

Q51. Please provide the number of insureds that hit their maximum of \$1,500.

**A51. Please refer to the maximum rollover reports attached**

Q52. Retiree Plan: Please provide the number of insureds that had less than \$500 in claims.

**A52. Please refer to the maximum rollover reports attached**

Q53. Please provide the number of insureds that had between \$500 and \$750 in claims.

**A53. Please refer to the maximum rollover reports attached**

Q54. Please provide the number of insureds that had between \$750 and \$1,000 in claims.

**A54. Please refer to the maximum rollover reports attached**

Q55. Please provide the number of insureds that hit their maximum of \$1,000.

**A55. Please refer to the maximum rollover reports attached**

Q56. The bid specifications require proposal submission directly to the City of Newton purchasing department, should we also provide our bid response to any brokers? We currently have multiple brokers advising us that they are working on this opportunity with the City of Newton. Your guidance with this matter is much appreciated.

**A56. See QUESTION 6.**

Q57. 24 months of monthly paid claims and lives (and premium) by month, by plan - 36 is preferred to be most aggressive complete copy of current Guardian plan summary booklet How long has the group been with Guardian?

**A57. Three years.**

Q58. Has the group had any plan changes within the last 2 years?

**A58. No.**

Q59. How are Out of Network claims currently Paid? If R&C level, at what percentage?

**A59. See attached**

Q60. Has the City always paid the same percentage of the benefits as currently in place? If it has changed, when was the change, and how did it change?

**A60. YES**

Q61. Do the employees have to elect coverage, or are they defaulted into the Base Option automatically?

**A61. No. Election is Voluntary**

Q62. Is there currently any commissions being paid, that are reflected in the premium rates provided?

**A62. No commissions are being paid. Broker's fee is included in the cost of the plan.**

Q63. What is the reasonable and customary out of network percentile for the 3 different plans? Is the reasonable and customary level the same for all three plans or if different, list those separately for each plan.

**A63. See attached**

Q64. Does your current plan waive all pre-existing conditions for late entrants for actives, COBRA continuees, disableds or employees on approved leaves of absence?

**A64. NO**

Q65. Are you assigning a broker that would be authorized to receive commissions? What percentage of commissions are you authorizing for the assigned broker to receive? What commission percentage is being provided now and is built into the current Guardian rates?

**A65. No. See question 6.**

Q66. Have you received 7/1/11 renewal exhibits/renewal rates yet from the incumbent dental vendor? Will you be sharing this and any updated information with all quoting vendors?

**A66. No. Vendor is bidding with all other bidders.**

Q67. Have you requested any type of dental network discount report that shows the dentist's total billed charges, negotiated discounts, and then paid dental claims? If so, will you be providing this to all quoting vendors?

**A67. No.**

Q68. Can you request a report that shows the taxpayer I.D. numbers of all dentists that your employees have used so far in 2010 and possibly 2009 so that we can conduct a disruption analysis to demonstrate our network match for you and your employees/covered family members?

**A68. No.**

Q69. Can you also request that it shows the total charges by the individual dental taxpayer I.D. number so that we can evaluate this from a utilization standpoint? This is extremely helpful in identifying the providers that we believe can help to achieve greater cost-savings for you and the City of Newton in the long run and control costs more effectively so please request/provide that to all quoting vendors.

**A69. No.**

Q70. Are you more interested in pursuing a fully insured OR a self-funded ASO quote for the City of Newton's dental plan?

**A70. Fully Insured only.**

Q71. Do you offer a vision plan now at all to the City of Newton?

**A71. No.**

Q72. Can we take a look at Life, Optional Life, Disability or Vision programs to help us achieve some packaging credits for being awarded multiple ancillary lines of coverage? If not now, will that be something that will be done prior to 7/1/11 to coincide with the dental anniversary or in the future?

**A72. No.**

Q73. If you are unable to get the requested reports to conduct a disruption analysis or other evaluation of your specific population's dental data, will you be granting an extension at that time so that we have all adequate information to offer our most competitive proposal for you and the City of Newton?

**A73. The reports are attached.**

Q74. Will the City consider and accept an offer that matches the overall dental benefit design, but does not provide the annual roll over reimbursement benefit?

**A74. Yes, we will consider all offers.**

Q75. Can you please confirm whether the City of Newton's contract with the incumbent dental carrier results in a commission being paid to any broker, and if so, whom?

**A75. See Question 6.**

Q76. Along the lines of the previous question, if in fact the City selects a bid that includes broker compensation, would the City issue a broker of record letter and/or sign a master application that names an appointed agent?

**A76. No. See Question 6.**

Q77. Will answers to all questions asked be distributed back to all bidders?

**A77. Yes.**

Q78. Would the City be open to an extension for the due date of the proposals?

**A78. See question 73**

Q79. Appel Financial is requesting the last 5 years of dental claim history.

**A79. Only the last three years are available.**

All other terms and conditions of this bid remain unchanged

**PLEASE ENSURE THAT YOU ACKNOWLEDGE THIS ADDENDUM ON YOUR BID FORM**

Thank you.

A handwritten signature in black ink that reads "Rositha Durham". The signature is written in a cursive style with a large, stylized 'R' and 'D'.

Rositha Durham  
*Chief Procurement Officer*